

A bill for an act
relating to retirement; authorizing the purchase of service credit for a period of
past due omitted contributions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **PERA-GENERAL; PURCHASE OF CREDIT FOR OMITTED
CONTRIBUTION PERIOD.**

(a) An eligible person described in paragraph (b) is entitled, upon written application
filed with the executive director of the Public Employees Retirement Association, to
purchase service credit for the period of omitted contributions specified in paragraph (c)
by paying the amount determined under paragraph (d). The employer of the eligible
person shall pay the amount determined under paragraph (e) within 30 days of being
notified by the Public Employees Retirement Association executive director that the
eligible person made the person's payment.

(b) An eligible person is a person who:

(1) was born on December 16, 1946;

(2) was first employed by the city of Elizabeth, Minnesota, municipal liquor store on
July 23, 2004;

(3) was first eligible for coverage by the general employees retirement plan of the
Public Employees Retirement Association in September 2004;

(4) was not reported as a general employees retirement plan member by the city of
Elizabeth, Minnesota, to the Public Employees Retirement Association until January
2005; and

(5) did not receive service credit under Minnesota Statutes, section 353.27,
subdivision 12, paragraph (e), in a timely fashion.

2.1 (c) The period of purchasable service credit is that portion of the period September
2.2 1, 2004, until January 1, 2005, during which the eligible person was an included employee
2.3 under Minnesota Statutes, section 353.01, subdivision 2a, and during which the required
2.4 deductions from the compensation of the eligible employee were not made under
2.5 Minnesota Statutes, section 353.27, subdivision 2.

2.6 (d) The member purchase amount is the amount of the omitted member contributions
2.7 during the period of purchasable service credit, plus compound annual interest at the rate
2.8 of 8.5 percent from October 15, 2004, to the date on which payment is made.

2.9 (e) The employer purchase amount is either the balance of the full actuarial value
2.10 purchase payment amount determined under Minnesota Statutes, section 356.551,
2.11 remaining after subtracting the amount under paragraph (d) or the amount of the employer
2.12 and employer additional contributions under Minnesota Statutes, section 353.27,
2.13 subdivisions 3 and 3a, plus compound annual interest at the rate of 8.5 percent from
2.14 October 15, 2004, to the date on which payment is made, whichever is larger. If the
2.15 employer fails to pay the employer purchase amount in a timely fashion, the executive
2.16 director of the Public Employees Retirement Association shall certify the unpaid
2.17 amount, plus monthly compound interest at the rate of 0.71 percent for the period, to the
2.18 commissioners of finance and revenue, who shall deduct the unpaid amount from any state
2.19 aid or state transfers that the employing unit is eligible to receive and shall transmit the
2.20 amount to the Public Employees Retirement Association.

2.21 (f) Purchase authority under this section expires on July 1, 2010.

2.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.